

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

SUPPLEMENTAL ORDER REGARDING

ELECTIONS, UNIT: V-2364

(herein "Subject Drilling Unit")

DOCKET NUMBER VGOB-94/06/21/0456

REPORT OF BOARD

FINDINGS AND ORDER

1. This Supplemental Order is entered by the Board sua sponte in the form authorized by the Board at its hearing held at 9:00 a.m. on October 20, 1992, Board of Supervisors Room, Courthouse, Grundy, Virginia, and pursuant to authority granted to the Board's Chairman at the hearing of the Virginia Gas and Oil Board on June 16, 1992 at 9:00 a.m. at the Rhododendron Restaurant at the Breaks Interstate Park, Breaks, Virginia; and this Supplemental Order is being recorded for the purpose of (1) complying with the requirements of § 7.c of the Virginia Gas and Oil Board Regulations, VR 480-05-22.2 by supplementing the Order previously issued by the Board for the subject Docket on July 18, 1994 and recorded at Deed Book 783, Page 150 in the Office of the Clerk of the Circuit Court, Wise County, Virginia on July 19, 1994, (herein "Board Order") to complete the record regarding elections. The Board Order pooled all interests in Subject Drilling Unit including those of the Respondents more particularly set forth and identified by the Designated Operator in the affidavits attached hereto and made a part hereof. The Board finds it has jurisdiction over the subject matter pursuant to the provisions of the Virginia Gas and Oil Act, § 45.1-361.1 et seq., Virginia Code, 1950 as amended.

2. Findings: The Board finds that:

(a) The Board Order directed Equitable Resources Exploration (herein the "Designated Operator"), to mail copies of the Board Order to all Respondents whose interests, if any, were pooled by said Board Order;

(b) The Designated Operator filed its affidavit of mailing dated August 10, 1994 disclosing that it had mailed a true and correct copy of the Board's Order to all Respondents whose interests, if any, were pooled by said Board Order;

(c) The Board Order required each Respondent whose interests, if any, were pooled by the terms of said Board Order to make his or her election within thirty (30) days after the date of mailing or recording, as applicable, of said Order; the Designated Operator has filed its affidavit dated October 10, 1994 in accordance with 7.c of the Virginia Gas and Oil Board Regulations and VR 480-05-22.2 (herein "Affidavit of Election"), wherein it has, for each Respondent whose interests, if any, were pooled by said Board Order, stated: (i) whether each Respondent has made or failed to make a timely election; (ii) the nature of the election made, if any; (iii)

whether, by reason of a failure to elect or to timely elect one or more Respondents are deemed, under the terms of the Board's Order, to have leased all their rights, title, interests, estates and claims in Subject Drilling Unit to the Designated Operator;

(d) The Board Order further required the Designated Operator, after expiration of the election period, to file with the Board a statement of the interests subject to escrow under the terms and provisions of the Board Order, in light of the elections made or deemed to have been made (herein "Statement of Interests"); that the Designated Operator furnished said Statement of Interests as part of its Affidavit of Election. A copy of which is attached hereto as Exhibit B.

(e) Current Board standards requiring the escrow of funds and the Board's agreement with its Escrow Agent, Tazewell National Bank, P. O. Box 909, Tazewell, Virginia 24651, or any successor named by the Board, require the entry of a Supplemental Order establishing of record the elections made or deemed to have been made and specifying the sums or percentage thereof subject to escrow.

3. Order: By this Order, the Board orders the Designated Operator to tender, consistent with and in accordance with the findings set forth at paragraph 2. above and the annexed Affidavits, any funds subject to escrow and instructs the Escrow Agent, Tazewell National Bank, P. O. Box 909, Tazewell, Virginia 24651, or any successor named by the Board to establish interest-bearing escrow account(s), IRS Tax Identification Number 54-1629506, in accordance with the information set forth in said Affidavits to receive such funds and account to the Board therefore.

4. Mailing of Order and Filing of Affidavit: The Designated Operator under the captioned order or its Attorney shall file an affidavit with the Secretary of the Board within ten (10) days after the date of receipt of this Order stating that a true and correct copy of this Order was mailed within seven (7) days from the date of receipt of this Order to each person whose interest or claim is subject to escrow and whose address is known.

5. Conclusion: Therefore, the findings and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

6. Effective Date: This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 20<sup>th</sup> day of December 1994, by a majority of the Virginia Gas and Oil Board.

  
Chairman, Benny R. Wampler

STATE OF VIRGINIA)  
COUNTY OF WISE )

Acknowledged on this 20th day of December, 1994,  
personally before me a notary public in and for the Commonwealth of  
Virginia, appeared Benny Wampler, being duly sworn did depose and say that  
he is Chairman of the Virginia Gas and Oil Board, that he executed the same  
and was authorized to do so.

Susan G. Garrett  
Susan G. Garrett  
Notary Public

My commission expires 7/31/98

DONE AND PERFORMED this 20th day of December 1994 by Order of  
this Board.

Byron T. Fulmer  
Byron Thomas Fulmer  
Principal Executive to the Staff  
Virginia Gas and Oil Board

STATE OF VIRGINIA  
COUNTY OF WASHINGTON

Acknowledged on this 20th day of December, 1994,  
personally before me a notary public in and for the Commonwealth of  
Virginia, appeared Byron Thomas Fulmer, being duly sworn did depose and say  
that he is Principal Executive to the staff of the Virginia Gas and Oil  
Board, that he executed the same and was authorized to do so.

Diane J. Davis  
Diane J. Davis  
Notary Public

My commission expires 9/30/97

12-28 19 94  
22047  
193 392  
Leryphard  
amount of \$

V I R G I N I A:

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

Application of Equitable Resources Exploration for Forced Pooling of Interests in Unit Number V-2364, VGOB Docket No. VGOB-94-06/21-0456 in the Gladeville Magisterial District of Wise County, Virginia

AFFIDAVIT OF HUNTER, SMITH & DAVIS, Attorneys-at-Law, Agents for the Designated Operator REGARDING ELECTIONS, ESCROW ACCOUNTS AND SUPPLEMENTAL ORDER

James E. Kaiser (herein Affiant), being first duly sworn on oath, deposes and says:

1. That the Affiant is an attorney in the law firm of Hunter, Smith & Davis, the Agent for the Designated Operator, with offices located at 1212 North Eastman Road, Kingsport, Tennessee 37664, and is authorized to give this Affidavit in its behalf;
2. That the Order entered on July 18, 1994, by the Virginia Gas and Oil Board regarding the captioned conventional Unit required the Applicant to mail a true and correct copy of said Order to each person pooled by said Order;
3. That within seven (7) days of the receipt of an executed copy of the Order referred to at Paragraph 2. above, the Affiant was directed to cause a true and correct copy of said Order to be mailed via the United States Postal Service to each Respondent named in the captioned Application, whose address was known, and to all persons, if any, who were added as Respondents at the hearing held in captioned matter;
4. That the Order of the Virginia Gas and Oil Board in the captioned matter required all persons pooled thereby to tender their written elections to the Unit Operator within thirty (30) days of the date said Order was recorded in the county above named; that said Order was recorded on July 19, 1994;
5. That the Designated Operator, by and through their agent, HUNTER, SMITH & DAVIS, Attorneys-at-Law, have established procedures to review all mail received and all written documents received by means other than by mail to ascertain whether parties whose interest have been pooled have made a written election, in a timely fashion, as required by the captioned Order; that said procedures were followed to identify the elections, if any, made with regard to Subject Unit; that the following persons

delivered, by mail or otherwise, written elections to the Unit Operator, within the thirty day election period:

Name	Election	Date
------	----------	------

James P. & Darlene Lay	carried interest	August 16, 1994
------------------------	------------------	-----------------

6. That the interest and/or claims of the following persons (who made timely elections, or who are deemed under the terms of the Board's Order to have leased, or who, subsequent to the pooling hearing held in the captioned matter, have leased or otherwise entered into an agreement with the Designated Operator) are subject to escrow under the Board's Order pooling the captioned Unit, Board Regulations and the Code of Virginia; that opposite the name of each person named as a Respondent listed below is set forth:

Jimmy Sexton deemed to have leased (unlocatable 1.025 ¢ bonus cash consideration (\$5.00 per net mineral acre) .0002042 royalty interest (12.5% x 1/6 x .98%)

7. That after the pooling hearing held in the captioned matter, the following persons have leased or entered into a voluntary agreement with the Designated Operator with regard to their interest and/or claims which are not subject to escrow:

None.

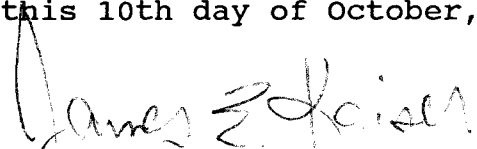
8. That the following persons have not made a timely election and have failed to enter into an agreement with the Designated Operator and their respective interests shall be deemed to have leased pursuant to and in accordance with paragraphs 3 and 2(c) of the Order.

Joe Lay, et ux	1/60 x 12.5% x 15.57% =	.0003244 RI
Kimberly Carnahan, et vir	1/80 x 12/5% x 15.57% =	.0002433 RI
Stephen Davis	1/80 x 12/5% x 15.57% =	.0002433 RI
Kathryn Davis	1/80 x 12.5% x 15.57% =	.0002433 RI
Kelly Davis	1/80 x 12.5% x 15.57% =	.0002433 RI
Eugene Lay, Jr.	1/20 x 12/5% x 15.57% =	.0009731 RI
Wood N. Lay et ux	1/20 x 12.5% x 15.57% =	.0009731 RI
Lyla Kline, et vir	1/30 x 12.5% x 15.57% =	.0006487 RI
Florence Sexton, et vir	1/6 x 12.5% x .98% =	.0002041 RI
Robert Sexton, et ux	1/6 x 12.5% x .98% =	.0002041 RI
Bobby Sexton, et ux	1/6 x 12.5% x .98% =	.0002042 RI
Albert Sexton	1/6 x 12.5% x .98% =	.0002042 RI
Joe Sexton	1/6 x 12.5% x .98% =	.0002042 RI

9. That pursuant to the provision of VR 480-05-22.27.C and VR 480-05-22.2.8, annexed hereto and incorporated herein

9. That pursuant to the provision of VR 480-05-22.27.C and VR 480-05-22.2.8, annexed hereto and incorporated herein is a proposed supplemental order to be entered to complete the record regarding elections; that said annexed supplemental order sets forth and identifies the conflicting claims and/or interest which require escrow of funds pursuant to the terms of §§ 45.1-361.21.D, 45.1-361.22.A.3 and 4.

Dated at Kingsport, Tennessee, this 10th day of October, 1994.

  
\_\_\_\_\_  
Affiant

Taken, subscribed and sworn to before me by James E. Kaiser, the Agent of Equitable Resources Exploration, a corporation, on behalf of the corporation, this 10th day of October, 1994.

My commission expires: March 12, 1996

  
\_\_\_\_\_  
Notary Public

f:\kmm\v-2364.aff

**EXHIBIT "B"**  
**V-2364**  
**VGOB 94/06/21 - 0456**

<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>	<u>NET REVENUE INTERESTS</u>
<b><u>TRACT 1</u></b>				
Faye I. Fannon, Widow Route 1, Box 412 Coeburn, VA 24230	Leased-EREX 223173L-01	49.72%	62.47	.06215 RI
Equitable Resources Exploration				.43505 WI
<b>Tract 1 Total</b>		<b>49.72%</b>	<b>62.47%</b>	<b>49.72%</b>
<b><u>TRACT 2</u></b>				
<u>W. W. Lay Heirs</u>				
Pinkie Lay Hodges and Robert L. Hodges Sr., W/H 1704 Woodridge Drive Johnson City, TN 37604	Leased-EREX 243793L-01	1.2969%	1.6301	.0016219 RI
Leda H. Lay Estate c/o Donald E. Lay P. O. Box 1715 Abingdon, VA 24210	Leased-EREX 243793L-12	1.2969%	1.6301	.0016219 RI
Julia Anne Lay Masters and Russell M. Masters, Jr., W/H 3858 Westwind Drive Beavercreek, OH 45440-3465	Leased-EREX 243793L-03	1.2969%	1.6301	.0016219 RI
Catharine H. Blakley and Robert H. Blakley, Jr., W/H 360 Kimberly Road Kingsport, TN 37664	Leased-EREX 243793L-04	.6552%	.8234	.0008109 RI
Thomas Y. Hatcher and Caroll J. Hatcher, H/W 22 Lionville Station Chester Springs, PA 19425	Leased-EREX 243793L-10	.6552%	.8234	.0008109 RI

EXHIBIT "B"  
V-2364  
VGOB 94/06/21 - 0456

<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>	<u>NET REVENUE INTERESTS</u>
Glenn L. Wynne Estate c/o Juanita J. Wynne, Widow Route 2M, Box 143 Moneta, VA 24121	Leased-EREX 243793L-13	.4312%	.5420	.0005406 RI
Charlie L. Wynne and Frances Wynne, H/W Box 142 Mendota, VA 24270	Leased-EREX 243793L-15	.4312%	.5420	.0005406 RI
Madge M. Wynne, Widow 2424 Broadway Catlettsburg, KY 41129	Leased-EREX 243793L-14	.4312%	.5420	.0005406 RI
Robert W. Frick, Widower 604 6th Street Oakmont, PA 15139	Leased-EREX 243793L-07	.2584%	.3248	.0003244 RI
Bill Lay and Rosemary Lay, H/W 3499 Bacon Drive Berkley, MI 48072	Leased-EREX 243793L-11	.2584%	.3248	.0003244 RI
Rose Ellen Lay Sexton and Roehm Carlton Sexton, W/H 2218 Central Park Avenue Campbell, CA 95008	Leased-EREX 243793L-09	.2584%	.3248	.0003244 RI
Jack S. Lay and Frances Lay, H/W P. O. Box 1040 Chester, VA 23831	Leased-EREX 243793L-08	.2584%	.3248	.0003244 RI
Joe Lay and Gayle T. Lay, H/W c/o Jack S. Lay P. O. Box 1040 Chester, VA 23831	Unleased	.2584%	.3248	.0003244 RI



EXHIBIT "B"  
V-2364  
VGOB 94/06/21 - 0456

<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>	<u>NET REVENUE INTERESTS</u>
<b><u>Lillie J. Lay Heirs</u></b>				
<u>Wood W. Lay Heirs</u> Agnes K. Lay, Widow P. O. Box 280 Coeburn, VA 24230	Leased-EREX 243793L-02	1.55705%	1.95705	.0019463 RI
Donald E. Lay, Trustee P. O. Box 1715 Abingdon, VA 24210	Leased-EREX 243793L-02	1.55705%	1.95705	.0019463 RI
<u>Carolyn Lay Davis Heirs</u>				
Kimberly Diane Carnahan & Keith Carnahan, W/H 4117 Buddington's Landing Circle Middlesburg, FL 32068	Unleased	.194625%	.244625	.0002433 RI
Stephen Jeffry Davis, Single 119 West 66th Street Cincinnati, OH 45216	Unleased	.194625%	.244625	.0002433 RI
Kathryn Lynn Davis, Single 119 West 66th Street Cincinnati, OH 45216	Unleased	.194625%	.244625	.0002433 RI
Kelly Elizabeth Davis, Single 3660 Lynn Ridge Drive Apartment 26 Raleigh, NC 27613	Unleased	.194625%	.244625	.0002433 RI
Eugene E. Lay, Jr., Single Route 1, Box 151 H-7 Burgettstown, PA 15021-9801	Unleased	.7785%	.9785	.0009731 RI
Donald E. Lay and Suzanne G. Lay, H/W P. O. Box 1715 Abingdon, VA 24210	Leased-EREX 243793L-05	.7785%	.9785	.0009731 RI

EXHIBIT "B"  
V-2364  
VGOB 94/06/21 - 0456

<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>	<u>NET REVENUE INTERESTS</u>
Wood N. Lay and Janice Lay, H/W 111 Sunset Drive Spartanburg, SC 29302	Unleased	.7785%	.9785	.0009731 RI
Victoria Ann Lay Desta and Frank T. Desta, W/H 422 W. 9th Street Erie, PA 16502	Leased-EREX 243793L-06	.5184%	.6516	.0006487 RI
Lyla Gay Lay Kline and Laverne A. Kline, W/H Route 2, Box 245 Volant, PA 16156	Unleased	.5184%	.6516	.0006487 RI
James P. Lay III and Darlene Lay, H/W 558 W. 6th Street Erie, PA 16507	Unleased	.5184%	.6516	.0051899 WI (at 200% well payout)
Equitable Resources Exploration				.1316963% WI (at 200% well payout)
<b>Tract 2 Totals</b>		<b>15.57%</b>	<b>19.57</b>	<b>15.57%</b>
<b><u>TRACT 3</u></b>				
William Kenneth Sexton and Linda J. Sexton, H/W Route 1, Box 414 Coeburn, VA 24230	Leased-EREX 223170L-01	3.65%	4.59	.0045625 RI
Equitable Resources Exploration				.0319375 WI
<b>Tract 3 Totals</b>		<b>3.65%</b>	<b>4.59</b>	<b>3.65%</b>

EXHIBIT "B"  
V-2364  
VGOB 94/06/21 - 0456

<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>	<u>NET REVENUE INTERESTS</u>
<b><u>TRACT 4</u></b>				
Jarvis Warren Quillin and Dorothy C. Quillin, H/W P. O. Box 163 Coeburn, VA 24230	Leased-EREX 223147L-01	7.94%	9.98	.009925 RI
Equitable Resources Exploration				.069475 WI
<b>Tract 4 Totals</b>		<b>7.94%</b>	<b>9.98</b>	<b>7.94%</b>
<b><u>TRACT 5</u></b>				
Jarvis Warren Quillin and Dorothy C. Quillin, H/W P. O. Box 163 Coeburn, VA 24250	Leased-EREX 223147L-01	8.120%	10.205	.01015 RI
Mary F. Quillin and Ralph C. Quillin, W/H 1879 Parker Mill Road Lexington, KY 40504	Leased-EREX 223147L-02	8.120%	10.205	.01015 RI
Equitable Resources Exploration				.1421 WI
<b>Tract 5 Totals</b>		<b>16.24%</b>	<b>20.41</b>	<b>16.24%</b>
<b><u>TRACT 6</u></b>				
Freddie Wayne McConnell and Rita Annette McConnell, H/W Route 1, Box 415A Coeburn, VA 24230	Leased-EREX 223160L-01	5.89%	7.40	.0073625 RI
Equitable Resources Exploration				.0515375 WI
<b>Tract 6 Totals</b>		<b>5.89%</b>	<b>7.40</b>	<b>5.89%</b>

EXHIBIT "B"  
V-2364  
VGOB 94/06/21 - 0456

<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>	<u>NET REVENUE INTERESTS</u>
<b>TRACT 7</b>				
Chester Collins and Betty Collins, H/W Route 1, Box 418 Coeburn, VA 24230	Leased-EREX 244758L-01	.01%	.01	.0000125 RI
Equitable Resources Exploration				.0000875 WI
<b>Tract 7 Totals</b>		<b>.01%</b>	<b>.01</b>	<b>.01%</b>
<b>TRACT 8</b>				
Florence Sexton and Albert Sexton, W/H Route 1, Box 415 Coeburn, VA 24230	Unleased	.163334%	.205	.0002041 RI
Robert Charles Sexton and Flo Sexton, H/W 104 Henry Road Jarratt, VA 23867	Unleased	.163334%	.205	.0002041 RI
Bobby Bruce Sexton and Gertrude Sexton, H/W Route 2, Box 28 Emporia, VA 23847	Unleased	.163333%	.205	.0002042 RI
Albert Wayne Sexton 102 12th Street, S.E. Norton, VA 24273	Unleased	.163333%	.205	.0002042 RI
Jimmy Sexton Unknown	Unleased	.163333%	.205	.0002042 RI
Joe Edd Sexton P. O. Box 175 Coeburn, VA 24230	Unleased	.163333%	.205	.0002042 RI

EXHIBIT "B"  
V-2364  
VGOB 94/06/21 - 0456

<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>	<u>NET REVENUE INTERESTS</u>
Equitable Resources Exploration				.008575 WI
<b>Tract 8 Totals</b>		<b>.98%</b>	<b>1.23</b>	<b>.98%</b>
<b>TOTAL</b>		<b>100.00%</b>	<b>125.66</b>	<b>100.00%</b>